GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4009
ANSWERED ON:22.08.2003
FUNDS FROM NRIs
RAMESH CHENNITHALA

Will the Minister of FINANCE be pleased to state:

(a) whether State Government of Kerala requested for exemption of conditions (ii) and (vii) of schedule 6 and 7 ofReserve Bank of India notification to enable Kerala Power Finance Corporation Limited to mobilise funds from Non-resident Indians; and

(b) if so, the reaction of the Government thereto ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO V. ADSUL)

(a): Yes, Sir.

(b): The Matter has been examined in consultation with RBI. In view of the fragile financial position ofState Financial Corporations and the inherent exchange risk to be borne by the issuing entities, the State Governmenthas been advised that Kerala Power Finance Corporation Limited should not be allowed to mobilise NRI funds.